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**LOUISIANA BOARD OF PHARMACY
LOUISIANA DEPARTMENT OF HEALTH
AND HOSPITALS
FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10/13/10

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STATE OF LOUISIANA
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JUNE 30, 2010**

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Department of Administration – Office of Statewide Reporting and Accounting Policy – Reporting Package			

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Louisiana Board of Pharmacy
Baton Rouge, Louisiana

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the business-type activities of the Louisiana Board of Pharmacy, a component unit of the State of Louisiana, as of and for the year ended June 30, 2010. These financial statements are the responsibility of the Louisiana Board of Pharmacy's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note A, the financial statements of the Louisiana Board of Pharmacy, a component unit of the State of Louisiana, are intended to present the financial position, the changes in financial position, and cash flows of only that portion of the business-type activities. They do not purport to, and do not, present fairly the financial position of the State of Louisiana, as of June 30, 2010, and the changes in financial position and cash flows, for the year ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Louisiana Board of Pharmacy, a component unit of the State of Louisiana, as of June 30, 2010, and the respective changes in financial position and cash flows thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance *Government Auditing Standards*, we have also issued our report dated August 13, 2010, on our consideration of the Louisiana Board of Pharmacy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of the audit.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information on pages 3 through 6 and 20 through 21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted on inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements of Louisiana Board of Pharmacy, a component unit of the State of Louisiana. The information had been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Baxley & Associates, LLC

Plaquemine, Louisiana
August 13, 2010

**STATE OF LOUISIANA
BOARD OF PHARMACY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2010**

Management's Discussion and Analysis of the Louisiana Board of Pharmacy's financial performance presents a narrative overview and analysis of the Board's financial activities for the year ended June 30, 2010. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the transmittal letter and the Board's financial statements, which begin on page 7.

FINANCIAL HIGHLIGHTS

- ★ The Board's assets exceeded its liabilities at the close of fiscal year 2010 by \$2,715,185, which represents a 4% increase from last fiscal year.
- ★ The Board's operating revenues increased \$170,128 (or 6.7%) from the prior fiscal year, and the net results from activities increased \$50,362 from the prior fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information
(other than MD&A)

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

Basic Financial Statements

The basic financial statements present information for the Board as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

**STATE OF LOUISIANA
BOARD OF PHARMACY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2010**

The Statement of Net Assets (Exhibit A, page 8) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Board is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (Exhibit B, page 9) presents information showing how the Board's assets changed as a result of current year operations. Regardless of when cash is collected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (Exhibit C, page 10) presents information showing how the Board's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

**Statement of Net Assets
as of June 30, 2010**

	Total	
	2010	2009
Current and other assets	\$ 2,336,931	\$ 2,299,053
Capital assets	1,199,765	883,488
Total assets	3,536,696	3,182,541
Current liabilities	116,523	36,186
Long-term liabilities	704,988	538,780
Total liabilities	821,511	574,966
Net assets:		
Invested in capital assets, net of depr.	1,199,765	883,488
Restricted	0	0
Unrestricted	1,515,420	1,724,087
Total net assets	\$ 2,715,185	\$ 2,607,575

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Net assets of the Board increased \$107,610 (or 4%) from June 30, 2009 to June 30, 2010. About one third of the increase resulted from an increase in current assets; however, the major

**STATE OF LOUISIANA
BOARD OF PHARMACY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2010**

contributor to the increase was the purchase of a new licensure information system to replace the previous database acquired during the 1970s. The Board expects to realize savings on its operational and labor costs over time as we consolidate older redundant information systems and increase efficiency through automation of licensure tasks.

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
for the years ended June 30, 2010 and June 30, 2009**

	<u>Total</u>	
	<u>2010</u>	<u>2009</u>
Operating revenues	\$ 2,681,874	\$ 2,511,745
Operating expenses	(2,599,219)	(2,513,035)
Operating income(loss)	<u>82,655</u>	<u>(1,290)</u>
Non-operating revenues	24,955	479,705
Non-operating expenses		<u>-421,168</u>
Net increase (decrease) in net assets	<u>107,610</u>	<u>57,247</u>
Total net assets - beginning of year	2,607,575	2,750,128
Restatement of beginning net assets		<u>-199,800</u>
Total net assets - restated beginning of year		2,550,328
Total net assets - end of year	<u>\$ 2,715,185</u>	<u>\$ 2,607,575</u>

The Board's operating revenues increased by \$170,128 or 6.7%. The total cost of all programs and services also increased from the prior fiscal year, by \$86,184 or 3.4%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the conclusion of the fiscal year ended June 30, 2010, the Board had \$1,199,765 invested in a broad range of capital assets, including property, furniture, office equipment, and information systems (see accompanying Table). This amount represents a net increase of \$316,277, or 36%, over last year.

This year's major additions included information systems as well as supporting hardware.

		<u>2010</u>	<u>2009</u>
Debt The Board bonds or	Land	\$ 709,080	\$ 709,080
	Construction in progress	102,900	90,891
	Furniture and Equipment	313,112	256,740
	Software - Licensure & Website	322,342	
	Accumulated Depreciation	<u>5 (247,669)</u>	<u>(173,223)</u>
	Totals \$	<u>1,199,765</u>	<u>\$ 883,488</u>

**STATE OF LOUISIANA
BOARD OF PHARMACY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2010**

Debt

The Board did not have any bonds or notes outstanding at the end of the fiscal year. There were no claims or judgments at the end of the fiscal year. The only significant liability was in the form of compensated absences.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$64,373 (or 2.5%) over budget, and expenses were \$515,356 (or 16%) less than budget. When the budget was adopted, the planned acquisition of the licensure information system was slated to be expensed; that decision was later amended to capitalize the asset and schedule it for depreciation. With that factor removed, the remainder of the expenses were \$55,356 (or 2%) less than the budgeted amount. A continued growth in the number of credentials under management, as well as deferrals of planned acquisitions and new personnel would explain the variations between original budget and final results.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Board's elected and appointed officials considered the following factors and indicators when setting next year's budget:

- Anticipated licensure activity (acquisition, renewal, and attrition)
- Demand for goods and services
- Enforcement actions
- Historical pattern of operational costs

The Board expects that next year's results may or may not improve based on the following:

- Planned acquisition of a new office building
- Continued growth in total number of credentials under management

CONTACTING THE LOUISIANA BOARD OF PHARMACY'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Malcolm Broussard, Executive Director, at (225) 925-6496 or mbroussard@pharmacy.la.gov.

FINANCIAL STATEMENTS

EXHIBIT A

**LOUISIANA BOARD OF PHARMACY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2010**

ASSETS

Current assets:

Cash and cash equivalents	\$ 1,675,680
Investments	661,251
Total Current Assets	<u>2,336,931</u>

Land and equipment (net of accumulated depreciation):

Land	709,080
Office equipment	105,082
Software	282,703
Construction in progress	<u>102,900</u>

TOTAL ASSETS	<u>\$ 3,536,696</u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$ 75,720
Payroll taxes payable	282
Compensated absences	40,521
Total Current Liabilities	<u>116,523</u>

Noncurrent Liabilities:

Compensated absences	96,774
OPEB payable	608,214
Total Noncurrent Liabilities	<u>704,988</u>

Total Liabilities	<u>821,511</u>
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Net Assets

Invested in capital assets, net of related debt	1,199,765
Unrestricted	1,515,420
Total Net Assets	<u>2,715,185</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,536,696</u>
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The accompanying notes are an integral part of this financial statement.

LOUISIANA BOARD OF PHARMACY
DEPARTMENT OF HEALTH AND HOSPITALS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

OPERATING REVENUES

Licenses, permits, and fees	\$ 2,681,874
Total Operating Revenues	<u>2,681,874</u>

EXPENSES

Personal services and related benefits	1,761,233
Operating services	322,383
Materials and supplies	122,371
Professional fees	205,889
Travel	108,777
Depreciation	74,446
Other	<u>4,120</u>

Total Operating Expenses	<u>2,599,219</u>
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Operating Income (Loss)	<u>82,655</u>
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NONOPERATING REVENUES (EXPENSES)

Investment income	<u>24,955</u>
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Income (Loss)	107,610
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Total net assets - beginning of year	<u>2,607,575</u>
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Total net assets - end of year	<u><u>\$ 2,715,185</u></u>
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The accompanying notes are an integral part of this financial statement.

EXHIBIT C

LOUISIANA BOARD OF PHARMACY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from licenses	\$ 2,681,874
Cash payments to suppliers of goods and supplies	(681,037)
Cash payments to employees for services	<u>(1,586,644)</u>
Net cash provided (used) by operating activities	<u>414,193</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchase of capital assets	<u>(390,723)</u>
Net cash used by capital and related financing activities	<u>(390,723)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of securities	(182,057)
Sale of securities	163,770
Investment income	<u>21,734</u>
	<u>3,447</u>

Net increase (decrease) in cash and cash equivalents 26,917

Cash and cash equivalents, beginning of year 1,648,763

Cash and cash equivalents, end of year \$ 1,675,680

RECONCILIATION OF OPERATING INCOME AND NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ 82,655
Adjustments to reconcile operating income to net cash cash provided (used) by operating activities:	
Depreciation	74,446
Change in assets and liabilities	
Prepayments	10,547
Accounts payable	71,956
Payroll tax liability	234
Compensated absences	(2,621)
OPEB payable	176,976
Net cash used by operating activities	<u>\$ 414,193</u>

The accompanying notes are an integral part of this statement.

**LOUISIANA BOARD OF PHARMACY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

INTRODUCTION

The Louisiana Board of Pharmacy (the Board) is a component unit of the State of Louisiana created within the Louisiana Department of Health and Hospitals, as provided by Louisiana Revised Statutes (LSA-R.S) 37:1171. The board is composed of seventeen members, appointed by the governor, including two licensed pharmacist from each of the pharmacy Boards districts as provided in R.S. 37:1173.

The Board is charged with the responsibility of establishing rules and regulations that control and regulate the practice of pharmacy.

Revenues to operate the Board are self-generated by licenses and fees paid by licensees and applicants.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included in the reporting entity. In conformance with GASB Codification Section 2100, this entity is a component unit of the State of Louisiana because the board is not legally separate and the state holds the board's corporate powers. The accompanying basic financial statements present only the transactions of the Louisiana Board of Pharmacy, a component unit of the State of Louisiana.

2. Basis of Presentation

The financial statements of the Board are prepared in accordance with accounting principles generally accepted in the United States of America. The Board's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The Board may also apply all FASB pronouncements or interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

3. Basis of Accounting

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) generally accepted in the United States of America using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred.

**LOUISIANA BOARD OF PHARMACY
NOTES TO FINANCIAL STATEMENTS**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

5. Cash and Investments

Cash includes amounts in demand deposits and interest bearing demand deposits, and time deposits, and time deposits. Cash equivalents include amounts in time deposits that mature within 90 days after year end and other investments with original maturities of 90 days or less. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or under the laws of the United States.

Under state law and as authorized by the Board, the Board may invest in United States bonds, treasury notes, mutual or trust funds, or certificates. These are classified as investments if their original maturities exceed 90 days. However, if the original maturities are 90 days or less, they are classified as cash equivalents.

7. Capital Assets

Capital assets purchased in excess of \$1,000 are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Estimated useful life is management's estimate of how long the asset is estimated to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Furniture	5-7 years
Equipment	5-10 years

8. Encumbrances

Encumbrance accounting is used to record purchase orders as they are incurred to reserve that portion of the application appropriation. This method of accounting is not employed.

9. Revenues and Expenses

Revenues and expenses are recorded on the accrual basis of accounting. Revenues consist of licenses, examination fees, and disciplinary fines. Licenses are renewed on December 31, of each year. Licenses are recorded in the Statement of Activities when they are earned. Operating and non-operating expenses are recorded as they are incurred. During the fiscal year, the Board started issuing permits for a Prescription Monitoring Program. During the year, the board issued approximately 17,000 permits and earned an additional \$417,050 in fees.

**LOUISIANA BOARD OF PHARMACY
NOTES TO FINANCIAL STATEMENTS**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. Employee Compensated Absences

Employees earn and accumulate vacation and sick leave at varying rates, depending on their years of service. Each employee may accumulate an unlimited amount of vacation and sick leave. After an employee is terminated they are compensated for up to 300 hours of unused vacation at their current rate of pay. The cost of current leave privileges are recognized as a current-year expense. The cost of leave not requiring current resources is recorded as a long-term obligation.

11. Statement of Cash Flows

This statement is prepared using the direct method. For purposes of this statement, this entity considers all highly liquid investments with a maturity of three months or less when purchases as a cash equivalent.

NOTE B – BUDGET PRACTICES

The budget is legally adopted and amended, as necessary, by the Board. All expenditure appropriations lapse at year end. The budgeted amounts are not included in the financial statements.

NOTE C – DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposits and are secured by the Federal Deposit Insurance Corporation insurance. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must equal or exceed the amount on deposit. The cash deposits held at financial institutions can be categorized according the three levels of risk.

The deposits at June 30, 2010, consisted of the following:

	<u>Amount</u>
Bank deposits in bank accounts per balance sheet	<u>\$ 1,675,680</u>
Bank balances of deposits exposed to custodial credit risk:	
a. Uninsured and uncollateralized	\$ -
b. Uninsured and collateralized with securities held be the pledging institution	-
c. Uninsured and collateralized with securities held by the pledging institutions trust department or agent but not in the entity's name	<u>1,717,289</u>
Total bank balances	<u>\$ 1,717,289</u>

**LOUISIANA BOARD OF PHARMACY
NOTES TO FINANCIAL STATEMENTS**

NOTE D – INVESTMENTS

Investments of the Board consist of U.S. government securities. These securities are stated at their fair value as required by GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*. The Board used quoted market values to determine fair value of the investments.

Descriptions	Cost	Fair Value	Percent of Investment	Moody's Investors Service Credit quality Rating
Federal Home Loan Bank (FHLB)	\$ 101,423	104,453	15.80%	Aaa
Federal National Mortgage Association (FNMA)	302,105	315,238	47.70%	Aaa
Federal Farm Credit Banks (FFCB)	203,559	210,907	31.90%	Aaa
Total debt securities-portfolio weighted-average maturity	607,087	630,598	95.40%	
Money market fund-cash equivalent	23,637	23,637	3.60%	
Accrued interest	7,016	7,016		
Total investments	<u>\$ 637,740</u>	<u>661,251</u>	<u>99.00%</u>	

Interest Rate Risk. The board has a formal investment policy that limits investment maturities to five years as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The board has adopted the state investment policy at RS 49:327. The board does not have any other policy that would further limit the investment choices.

Concentration of Credit Risk. The board places no limits on the amount the board may invest in any one issuer.

NOTE E – CAPITAL ASSETS

A summary of changes, capital assets, and accumulated depreciation for the year ended June 30, 2010 is as follows:

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Land	\$ 709,080	\$ -	\$ -	\$ 709,080
Construction in Progress	90,891	12,009	-	102,900
Office Equipment	256,739	56,372	-	313,111
Software	-	322,342	-	322,342
Accumulated Depreciation	(173,222)	(74,446)	-	(247,668)
Net Capital Assets	<u>\$ 883,488</u>	<u>\$ 316,277</u>	<u>\$ -</u>	<u>\$ 1,199,765</u>

LOUISIANA BOARD OF PHARMACY NOTES TO FINANCIAL STATEMENTS

NOTE F – LITIGATION

There are no judgments, claims, or similar contingencies pending against the Board at June 30, 2010.

NOTE G – RETIREMENT SYSTEM

The employees of the Board are members of the Louisiana State Employees Retirement System (LASERS), a multiple-employer defined benefit pension plan. LASERS is a component unit of the State of Louisiana included in the State's CAFR as pension trust fund. LASERS was established and provided within Title 11 Chapter 401 of the Louisiana Revised Statutes. LASERS is a statewide public retirement system for the benefits of the state employees, which is administered by a separate board of trustees. LASERS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. This report can be obtained by writing to LASERS, 8401 United Plaza Blvd, PO Box 44213, Baton Rouge, LA 70809 or can be obtained from their web site at:

[http://www.lasers.state.la.us/PDFs/Publications_and_Reports/Fiscal_Documents/Comprehensive Financial Reports/Comprehensive%20Financial%20Reports_08.pdf](http://www.lasers.state.la.us/PDFs/Publications_and_Reports/Fiscal_Documents/Comprehensive_Financial_Reports/Comprehensive%20Financial%20Reports_08.pdf)

All full-time employees, who began state employment prior to age 60, are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to 2.5 per cent of their highest consecutive 36 months average salary multiplied by their years of credited service plus \$300 for employees hired before July 31, 1986. Vested employees eligible to begin participation before July 1, 2006, are entitled to a retirement benefit, payable monthly for life (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. The System also provides death and disability benefits.

State law provides for fiscal year 2010, 2009, and 2008 contribution rates of 7.5% by employees. The contribution rate for the employer for the fiscal year ended June 30, 2010 increased to 18.6% of annual covered payroll from the 18.5% and 20.4% required in the fiscal years of ended June 30, 2009 and 2008, respectively. Contribution requirements to the System are set by Statute and differ from the contribution requirements determined using actuarial methods. The contributions to the System for the years ending June 30, 2010, 2009, and 2008 were \$198,504, \$197,939, and \$206,381, respectively, which are the required contributions set by Statute.

NOTE H –EMPLOYEE BENEFITS – OTHER POST-EMPLOYMENT BENEFITS

The Board may provide certain continuing health care and life insurance benefits for its retired employees through the Louisiana Office of Group Benefits. Substantially all employees become eligible for those benefits if they reach normal retirement age while working for the Board and were covered by the Board's active medical plan immediately prior to retirement. Those benefits include joint payment of monthly premiums for the coverage provided.

**LOUISIANA BOARD OF PHARMACY
NOTES TO FINANCIAL STATEMENTS**

NOTE H –EMPLOYEE BENEFITS – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Plan Description. The State of Louisiana's Other Post-Employment Benefit Plant (OPEB Plan) is an agent multiple-employer plan administered by the Louisiana Office of Group Benefits (OGB). There are three plans available to eligible retirees for health care- OGB Preferred Provider Organization (PPO), Humana Health Maintenance Organization (HMO) and United Exclusive Provider Organization (EPO). Participants eligible for Medicare coverage can choose one of two OGB Medicare Advantage Plans, either an HMO or private fee-for-service (PFFS) plan. Life insurance benefits include basic term life, basic plus supplemental term life, dependent term life and employee accidental death and dismemberment coverage. The policy is underwritten by The Prudential Insurance Company of America.

LRS 42:801-883 provides for the authority under which benefit provisions are established and may be amended. The OGB does not issue a stand-alone report; however, it is included in the Louisiana Comprehensive Annual Financial Report (CAFR). The CAFR may be obtained from the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap, writing to P. O. Box 94095, Baton Rouge, LA 70804-9095 or by calling 225-342-0708.

Funding Policy. LRS 42:801-883 provides for the authority under which the obligations of the plan members and the system are established and may be amended. For employees hired prior to January 1, 2002, the cost of coverage is shared 25% by the participant and 75% by the Board with the exception of single retirees under age 65. He/she must pay 25% of the active employee cost. Employees hired on or after January 1, 2002, pay a percentage of the total contribution rate based on his/her years of service at retirement (under 10 yrs. - 81%; 10-14 yrs. - 62%; 15-19 yrs. - 44%; 20+ yrs. - 25%). A lifetime maximum for healthcare benefits is set at \$5,000,000 for the PPO, HMO, and EPO plants. The retiree must pay 50% of the life insurance premiums for him or herself and 88% for his/her spouse. Maximum coverage is capped at \$50,000.

Premiums paid for healthcare coverage vary depending on the plan chosen. For the year ended June 30, 2010, this amount ranges \$315 to \$341 per month for single members with Medicare or \$969 to \$1,049 per month without Medicare.

Premiums paid for retiree and spouse range from \$1,164 to \$1,261 per month for those with Medicare or \$1,710 to \$1,853 per month for those without Medicare. The rates for retirees with children are slightly higher than the single rates and family coverage is slightly higher than the retiree/spouse rates. The plan is currently financed on a pay-as-you-go basis by the Board.

OPEB Cost/Obligation. The Board's Annual Required Contribution (ARC) is an amount actuarially in accordance with GASB 45. The Annual Required Contribution (ARC) represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period, was used. The total ARC for the year beginning July 1, 2009, is as follows on the following page:

**LOUISIANA BOARD OF PHARMACY
NOTES TO FINANCIAL STATEMENTS**

NOTE H –EMPLOYEE BENEFITS – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Annual OPEB Expense and Net OPEB Obligation

Fiscal Year Ending		6/30/2010
Net OPEB Obligation at June 30, 2009	\$	431,000
Annual Required Contribution		215,200
Interest on Net OPEB Obligation		17,200
ARC Adjustment		(16,500)
Annual OPEB Expense		215,900
Contributions made		<u>(38,686)</u>
Net OPEB Obligation at June 30, 2010	\$	<u>608,214</u>
Percentage of Annual OPEB Cost Contributed		17.92%

Funding Status and Funding Progress. As of June 30, 2010, the Board had not made any contributions to its post-employment benefits plan trust. A trust was established during the current year but was not funded. Thus, it has no plan assets and a funding ratio of zero. Funding status and progress is summarized below:

Actuarial accrued liability (AAL)	\$	2,062,400
Actuarial value of plan assets		-
Unfunded actuarial accrued liability (UAAL)	\$	<u>2,062,400</u>
Funded ratio (actuarial value of plan assets/AAL)		0.00%
Covered payroll (annual payroll of active employees covered by the plan)		918,200
UAAL as a percentage of covered payroll		225%

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**LOUISIANA BOARD OF PHARMACY
NOTES TO FINANCIAL STATEMENTS**

NOTE H – EMPLOYEE BENEFITS – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2009, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses) and initial annual healthcare cost trend rate of 9.5% and 10.6% for pre-Medicare and Medicare eligibles, respectively, scaling down to ultimate rates of 5% per year. The Board's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at June 30, 2010, was thirty years.

NOTE I – COMPENSATED ABSENCES

The Louisiana Board of Pharmacy has the following policy related to annual and sick leave for the Board's unclassified clerical employees. The earning of annual and sick leave is based on the equivalent of full-time services. It is credited at the end of each month of regular service. Accrued unused annual and sick leave shall be carried forward to the succeeding calendar year without limitation; however, upon separation of service, no sick leave will be paid and only 300 hours of annual leave will be paid. Annual leave must be applied for by the employee and may only be used when approved by the Board.

Changes in accrued leave for the current and long-term periods are as follows:

	Current	Long-term	Total
Balance, July 1, 2009	\$ 32,374	107,542	139,916
Additions	19,111	-	19,111
Deletions	(10,964)	(10,768)	(21,732)
Balance, June 30, 2010	<u>\$ 40,521</u>	<u>96,774</u>	<u>137,295</u>

NOTE J – RELATED PARTY TRANSACTIONS

The Board did not have any related party transactions for the year ended June 30, 2010.

NOTE K – BOARD MEMBERS' PER DIEM

The Board members are paid per diem of \$75 per day for each day of actual attendance of board meetings and for attending to official business of the Board as authorized by Act No. 767 Louisiana Legislature.

**LOUISIANA BOARD OF PHARMACY
NOTES TO FINANCIAL STATEMENTS**

NOTE L – OPERATING LEASE

The Board rents its office space and equipment. For the fiscal year ended June 30, 2010, the annual rent charges were \$140,927. Future minimum rental payments for each of the two subsequent fiscal years are as follows:

	<u>Office Space</u>	<u>Equipment Rental</u>	<u>Total</u>
2011	\$ 123,830	\$ 12,361	\$ 136,191
2012	<u>30,957</u>	<u>10,444</u>	<u>41,401</u>
	<u>\$ 154,787</u>	<u>22,805</u>	<u>177,592</u>

SUPPLEMENTAL INFORMATION

SCHEDULE 1

**LOUISIANA BOARD OF PHARMACY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
SCHEDULE OF BOARD MEMBERS PER DIEM
FOR THE YEAR ENDED JUNE 30, 2010**

<u>Board Members</u>	<u>Amount</u>
Joseph L. Adams	\$ 2,550
Michele P. Alderman	900
Carl W. Aron	3,750
Brian A. Bond	2,775
J. Douglas Boudreaux	600
Allen W. Cassidy	825
Reuben R. Dixon	1,950
Syndie M. Durand	1,125
Jacqueline L. Hall	525
John O. LeTard	750
Marty R. McKay	1,575
Chris B. Melancon	975
Ronald E. Moore	525
Blake P. Pitre	1,125
T. Morris Rabb	2,025
Richard A. "Andy" Soileau	<u>1,725</u>
Total	<u>\$ 23,700</u>

The schedule of per diem paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

BAXLEY AND ASSOCIATES, LLC

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Plaquemine, Louisiana 70764
Phone (225) 687-6630 Fax (225) 687-0365

Hugh F. Baxley, CPA/CVA/PFS/FCPA
Margaret A. Pritchard, CPA

Staci H. Joffrion, CPA

SCHEDULE 2

To the Board of Directors
Louisiana Board of Pharmacy
Baton Rouge, Louisiana

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited the financial statements of the business-type activities of the Louisiana Board of Pharmacy, a component unit of the State of Louisiana, as of and for the year ended June 30, 2010, and have issued our report thereon dated August 13, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Louisiana Board of Pharmacy's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Board of Pharmacy's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Louisiana Board of Pharmacy's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow managements or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Board of Pharmacy's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the management, others within the entity, and federal awarding agencies and state agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Baxley & Associates, LLC

Plaquemine, Louisiana
August 13, 2010

**LOUISIANA BOARD OF PHARMACY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
SUMMARY OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010**

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Louisiana Board of Pharmacy.
2. There are no significant deficiencies relating to the audit of the financial statements reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the Louisiana Board of Pharmacy were disclosed during the audit.

SCHEDULE 4

**LOUISIANA BOARD OF PHARMACY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
SUMMARY OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010**

There were no prior year audit findings or questioned costs.

LOUISIANA BOARD OF PHARMACY
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2010

C O N T E N T S

AFFIDAVIT

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Schedules

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STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ended June 30, 2010

Louisiana Board of Pharmacy
5615 Corporate Boulevard, Suite 8-E
Baton Rouge, Louisiana 7080-2537

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Physical Address:
1201 N. Third Street
Claiborne Building, 6th Floor, Suite 6-130
Baton Rouge, Louisiana 70802

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

Legislative_Auditor_-_Fileroom.LLA@lla.state.la.us

Physical Address:
1600 N. Third Street
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Malcolm J. Broussard, Executive Director of the Louisiana Board of Pharmacy who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Louisiana Board of Pharmacy at June 30, 2010 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 17th day of August, 2010.

Malcolm J. Broussard
Signature of Agency Official

Don L. L...
NOTARY PUBLIC
BAR Roll No. 23729

Prepared by: Malcolm J. Broussard

Title: Executive Director

Telephone No.: 225-925-6496

Date: 08/17/2010

Email Address: mbroussard@pharmacy.la.gov

**STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY
BALANCE SHEET
AS OF JUNE 30, 2010**

Statement A

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 1,675,680
Restricted Cash and Cash Equivalents	
Investments	661,251
Receivables (net of allowance for doubtful accounts)(Note U)	
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	
Notes receivable	
Other current assets	
Total current assets	2,336,931

NONCURRENT ASSETS:

Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Investments	
Notes receivable	
Capital assets, net of depreciation (Note D)	
Land and non-depreciable easements	709,080
Buildings and improvements	
Machinery and equipment	105,082
Software	282,703
Construction/Development-in-progress	102,900
Other noncurrent assets	
Total noncurrent assets	1,199,765
Total assets	\$ 3,536,696

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$ 75,720
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	
Amounts held in custody for others	282
Other current liabilities	
Current portion of long-term liabilities: (Note K)	
Contracts payable	
Compensated absences payable	40,521
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Bonds payable (include unamortized costs)	
Other long-term liabilities	
Total current liabilities	116,523

NONCURRENT LIABILITIES: (Note K)

Contracts payable	
Compensated absences payable	96,774
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Bonds payable (include unamortized costs)	
OPEB payable	608,214
Other long-term liabilities	
Total noncurrent liabilities	704,988
Total liabilities	821,511

NET ASSETS

Invested in capital assets, net of related debt	1,199,765
Restricted for:	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	1,515,420
Total net assets	2,715,185
Total liabilities and net assets	\$ 3,536,696

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

Statement B

OPERATING REVENUE

Sales of commodities and services	\$	
Assessments		
Use of money and property		
Licenses, permits, and fees		2,681,874
Other		
Total operating revenues		2,681,874

OPERATING EXPENSES

Cost of sales and services		2,524,773
Administrative		
Depreciation		74,446
Amortization		
Total operating expenses		2,599,219
Operating income(loss)		82,655

NON-OPERATING REVENUES(EXPENSES)

State appropriations		
Intergovernmental revenues(expenses)		
Taxes		
Use of money and property		24,955
Gain on disposal of fixed assets		
Loss on disposal of fixed assets		
Federal grants		
Interest expense		
Other revenue		
Other expense		
Total non-operating revenues(expenses)		24,955
Income(loss) before contributions, extraordinary items, & transfers		107,610
Capital contributions		
Extraordinary item - Loss on impairment of capital assets		
Transfers in		
Transfers out		
Change in net assets		107,610
Total net assets – beginning		2,607,575
Total net assets – ending	\$	2,715,185

The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010**

Statement C

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
				Net (Expense) Revenue and Changes in Net Assets
Entity	\$ 2,599,219	\$ 2,681,874	\$	\$ 82,655
General revenues:				
Taxes				
State appropriations				
Grants and contributions not restricted to specific programs				
Interest				24,955
Miscellaneous				
Special items				
Extraordinary item - Loss on impairment of capital assets				
Transfers				
Total general revenues, special items, and transfers				24,955
Change in net assets				107,610
Net assets - beginning as restated				2,607,575
Net assets - ending				\$ 2,715,185

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010**

**Statement D
(continued)**

Cash flows from operating activities

Cash received from customers	\$ 2,681,874	
Cash payments to suppliers for goods and services	(681,037)	
Cash payments to employees for services	(1,586,644)	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		414,193

Cash flows from non-capital financing activities

State appropriations		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other		
Net cash provided(used) by non-capital financing activities		-

Cash flows from capital and related financing activities

Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	(390,723)	
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		(390,723)

Cash flows from investing activities

Purchases of investment securities	(182,057)	
Proceeds from sale of investment securities	163,770	
Interest and dividends earned on investment securities	21,734	
Net cash provided(used) by investing activities		3,447

Net increase(decrease) in cash and cash equivalents 26,917

Cash and cash equivalents at beginning of year 1,648,763

Cash and cash equivalents at end of year \$ 1,675,680

**STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010**

**Statement D
(concluded)**

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)		\$ 82,655
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:		
Depreciation/amortization	74,446	
Provision for uncollectible accounts		
Other		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net		
(Increase)decrease in due from other funds		
(Increase)decrease in prepayments	10,547	
(Increase)decrease in inventories		
(Increase)decrease in other assets		
Increase(decrease) in accounts payable and accruals	72,190	
Increase(decrease) in compensated absences payable	(2,621)	
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues		
Increase(decrease) in OPEB payable	176,976	
Increase(decrease) in other liabilities		
Net cash provided(used) by operating activities		\$ 414,193

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease(s)	\$	
Contributions of fixed assets		
Purchases of equipment on account		
Asset trade-ins		
Other (specify)		
Total noncash investing, capital, and financing activities:	\$	-

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY
Notes to the Financial Statement
As of and for the year ended June 30, 2010

INTRODUCTION

The Louisiana Board of Pharmacy was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:1171. The following is a brief description of the operations of the Louisiana Board of Pharmacy and includes the parish/parishes in which the Louisiana Board of Pharmacy is located:

The Louisiana Board of Pharmacy is a component unit of the State of Louisiana. The board is composed of seventeen members, appointed by the governor, including two licensed pharmacists from each of the Board's districts as provided by R.S. 37:1173. The Board is charged with the responsibility of establishing rules and regulations that control and regulate the practice of pharmacy. Revenues to operate the Board are self-generated by licenses and fees paid by licensees and applicants.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of Louisiana Board of Pharmacy present information only as to the transactions of the programs of the Louisiana Board of Pharmacy as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Louisiana Board of Pharmacy are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY
Notes to the Financial Statement
As of and for the year ended June 30, 2010

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Louisiana Board of Pharmacy are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

	<u>APPROPRIATIONS</u>
Original approved budget	\$ <u>2,546,500</u>
Amendments:	
No. 1	<u>71,000</u>
	<u> </u>
	<u> </u>
Final approved budget	\$ <u>2,617,500</u>

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Louisiana Board of Pharmacy may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Louisiana Board of Pharmacy may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all

**STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY**

Notes to the Financial Statement

As of and for the year ended June 30, 2010

times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2010, consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Deposits per Balance Sheet (Reconciled bank balance)	\$ 1,675,680	\$	\$	\$ 1,675,680
Deposits in bank accounts per bank	\$ 1,717,289	\$	\$	\$ 1,717,289
Bank balances exposed to custodial credit risk:	\$	\$	\$	\$
a. Uninsured and uncollateralized				
b. Uninsured and collateralized with securities held by the pledging institution				
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's	1,717,289			1,717,289

The following is a breakdown by banking institution, program, and amount of the "Deposits in bank accounts per bank" balances shown above:

Banking Institution	Program	Amount
1. Hancock Bank	Operating account	\$ 574,867
2. Hancock Bank	Operating account	1,058,671
3. Hancock Bank	Relief funds	83,751
4.		
Total		\$ 1,717,289

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$ -
Petty cash	\$ -

STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY
Notes to the Financial Statement
As of and for the year ended June 30, 2010

2. INVESTMENTS

The Louisiana Board of Pharmacy does maintain investment accounts as authorized by 71:1.1501.

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent, but not in the entity's name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.

<u>Type of Investment</u>	<u>Investments Exposed to Custodial Credit Risk</u>		<u>All Investments Regardless of Custodial Credit Risk Exposure</u>	
	<u>Uninsured, *Unregistered, and Held by Counterparty</u>	<u>Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name</u>	<u>Reported Amount Per Balance Sheet</u>	<u>Fair Value</u>
Negotiable CDs	\$ _____	\$ _____	\$ _____	\$ _____
Repurchase agreements	_____	_____	_____	_____
U.S. Government Obligations **	_____	_____	_____	_____
U.S. Agency Obligations	_____	_____	630,598	630,598
Common & preferred stock	_____	_____	_____	_____
Mortgages (including CMOs & MBSs)	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Mutual funds	_____	_____	_____	_____
Real estate	_____	_____	_____	_____
External Investment Pool (LAMP) ***	_____	_____	_____	_____
External Investment Pool (Other)	_____	_____	_____	_____
Other:	_____	_____	_____	_____
Accrued Interest	_____	_____	7,016	7,016
Treasury Securities	_____	_____	23,637	23,637
	_____	_____	_____	_____
Total investments	\$ _____ -	\$ _____ -	\$ 661,251	\$ 661,251

STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY
Notes to the Financial Statement
As of and for the year ended June 30, 2010

3. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES

A. Credit Risk of Debt Investments – NOT APPLICABLE

B. Interest Rate Risk of Debt Investments

Type of Debt Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	Greater Than 10
U.S. Government obligations	\$	\$	\$	\$	\$
U.S. Agency obligations	630,598	40,138	590,460		
Mortgage backed securities					
Collateralized mortgage obligations					
Mutual bond funds					
Other:					
Accrued Interest	7,016	7,016			
Treasury Securities	23,637	23,637			
Total debt investments	\$ 661,251	\$ 70,791	\$ 590,460	\$ -	\$ -

2. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms (e.g. coupon multipliers, reset dates, etc.) of the investment. See Appendix C for examples of debt investments that are highly sensitive to changes in interest rates.

Debt Investment	Fair Value	Terms
	\$	
Total	\$ -	

C. Concentration of Credit Risk - NOT APPLICABLE

D. Foreign Currency Risk – NOT APPLICABLE

4. DERIVATIVES (GASB 53) – NOT APPLICABLE

5. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS – NOT APPLICABLE

STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY
Notes to the Financial Statement
As of and for the year ended June 30, 2010

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

	Balance 6/30/2009	submitted to OSRAP (+or-)	Restatements (+or-)	Balance 6/30/2009	Additions	Transfers*	Retirements	Balance 6/30/2010
Capital assets not being depreciated								
Land	\$ 709,080	\$	\$	\$ 709,080	\$	\$	\$	\$ 709,080
Non-depreciable land improvements				-				-
Non-depreciable easements				-				-
Capitalized collections				-				-
Software Development in Progress				-				-
Construction in progress (CIP)	90,891			90,891	12,009			102,900
Total capital assets not being depreciated	799,971	-	-	799,971	12,009	-	-	811,980
Other capital assets								
Machinery and equipment	256,739			256,739	56,372			313,111
Less accumulated depreciation	(173,222)			(173,222)	(34,807)			(208,029)
Total Machinery and equipment	83,517	-	-	83,517	21,565	-	-	105,082
Buildings and improvements				-				-
Less accumulated depreciation				-				-
Total buildings and improvements		-	-	-	-	-	-	-
Depreciable land improvements				-				-
Less accumulated depreciation				-				-
Total land improvements		-	-	-	-	-	-	-
Infrastructure				-				-
Less accumulated depreciation				-				-
Total infrastructure		-	-	-	-	-	-	-
Software				-	322,342			322,342
Less accumulated amortization - software				-	(39,639)			(39,639)
Total intangibles		-	-	-	282,703	-	-	282,703
Total other capital assets	83,517	-	-	83,517	304,268	-	-	387,785
Capital assets not being depreciated	799,971	-	-	799,971	12,009	-	-	811,980
Other capital assets, at cost	256,739	-	-	256,739	378,714	-	-	635,453
Total cost of capital assets	1,056,710	-	-	1,056,710	390,723	-	-	1,447,433
Less accumulated depreciation and amortization	(173,222)	-	-	(173,222)	(74,446)	-	-	(247,668)
Capital assets, net	\$ 883,488	\$ -	\$ -	\$ 883,488	\$ 316,277	\$ -	\$ -	\$ 1,199,765

E. INVENTORIES – NOT APPLICABLE

**STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY
Notes to the Financial Statement
As of and for the year ended June 30, 2010
F. RESTRICTED ASSETS – NOT APPLICABLE**

G. LEAVE

1. COMPENSATED ABSENCES

The Louisiana Board of Pharmacy has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2010 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be zero. The leave payable is recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

Substantially all of the employees of the Louisiana Board of Pharmacy are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time Louisiana Board of Pharmacy employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain

**STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY
Notes to the Financial Statement**

As of and for the year ended June 30, 2010

eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally,

retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006.

Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of

creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2008 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:

http://www.lasers.state.la.us/PDFs/Publications_and_Reports/Fiscal_Documents/Comprehensive_Financial_Reports/Comprehensive%20Financial%20Reports_08.pdf

Members are required by state statute to contribute with the single largest group ("regular members") contributing 7.5% of gross salary, and the Louisiana Board of Pharmacy is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2010, increased to 18.6% of annual covered payroll from the 18.5% and 20.4% required in fiscal years ended June 30, 2009 and 2008 respectively. The Louisiana Board of Pharmacy's contributions to the System for the years ending June 30, 2010, 2009, and 2008, were \$198,504, \$197,939, and \$206,381, respectively, equal to the required contributions for each year.

STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY
Notes to the Financial Statement
As of and for the year ended June 30, 2010

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The other postemployment benefits (OPEB) calculation for the year ended June 30, 2010 is as follows:

Annual OPEB expense and net OPEB Obligation		6/30/2010
Fiscal year ending		
1. * ARC		\$215,200
2. * Interest on NOO (4%)		\$17,200
3. * ARC adjustment		(\$16,500)
4. * Annual OPEB Expense (1. + 2. - 3.)		\$215,900
5. Contributions (employer pmts. to OGB for retirees' cost of 2010 insurance premiums)		(\$38,686)
6. Increase in Net OPEB Obligation (4. - 5.)		\$177,214
7. *NOO, beginning of year (see actuarial valuation report on OSRAP's website)		\$431,000
8. **NOO, end of year (6. + 7.)		\$608,214

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year June 30, 2010 amounted to \$140,927. A schedule of payments for operating leases follows:

Nature of lease	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016- 2020	FY 2021- 2025
Office Space	\$ 123,830	\$ 30,957	\$	\$	\$	\$	\$
Equipment	12,361	10,444					
Land							
Other							
Total	\$ 136,191	\$ 41,401	\$ -	\$ -	\$ -	\$ -	\$ -

2. CAPITAL LEASES – NOT APPLICABLE

3. LESSOR DIRECT FINANCING LEASES – NOT APPLICABLE

4. LESSOR – OPERATING LEASE – NOT APPLICABLE

STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY
Notes to the Financial Statement
As of and for the year ended June 30, 2010

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2010:

	<u>Year ended June 30, 2010</u>			<u>Balance</u> <u>June 30,</u> <u>2010</u>	<u>Amounts</u> <u>due within</u> <u>one year</u>
	<u>Balance</u> <u>June 30,</u> <u>2009</u>	<u>Additions</u>	<u>Reductions</u>		
Notes and bonds payable:					
Notes payable	\$	\$	\$	\$ -	\$
Bonds payable				-	
Total notes and bonds	-	-	-	-	-
Other liabilities:					
Contracts payable				-	
Compensated absences payable	139,916	19,111	21,732	137,295	40,521
Capital lease obligations				-	
Claims and litigation				-	
Pollution remediation obligation				-	
OPEB payable	431,238	176,976		608,214	
Other long-term liabilities				-	
Total other liabilities	571,154	196,087	21,732	745,509	40,521
Total long-term liabilities	\$ 571,154	\$ 196,087	\$ 21,732	\$ 745,509	\$ 40,521

L. CONTINGENT LIABILITIES – NOT APPLICABLE

M. RELATED PARTY TRANSACTIONS – NOT APPLICABLE

N. ACCOUNTING CHANGES – NOT APPLICABLE

O. IN-KIND CONTRIBUTIONS – NOT APPLICABLE

P. DEFEASED ISSUES – NOT APPLICABLE

Q. REVENUES – PLEDGED OR SOLD (GASB 48) – NOT APPLICABLE

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) – NOT APPLICABLE

STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY
Notes to the Financial Statement
As of and for the year ended June 30, 2010

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL – NOT APPLICABLE

T. SHORT-TERM DEBT – NOT APPLICABLE

U. DISAGGREGATION OF RECEIVABLE BALANCES – NOT APPLICABLE

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2010, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
Enterprise Fund	\$ 75,720	\$ 282	\$	\$	\$ 76,002
Total payables	\$ 75,720	\$ 282	\$ -	\$ -	\$ 76,002

W. SUBSEQUENT EVENTS – NOT APPLICABLE

X. SEGMENT INFORMATION – NOT APPLICABLE

Y. DUE TO/DUE FROM AND TRANSFERS – NOT APPLICABLE

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS – NOT APPLICABLE

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS – NOT APPLICABLE

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46) – NOT APPLICABLE

**STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY**

Notes to the Financial Statement

As of and for the year ended June 30, 2010

**CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES – NOT
APPLICABLE**

DD. EMPLOYEE TERMINATION BENEFITS – NOT APPLICABLE.

EE. POLLUTION REMEDIATION OBLIGATIONS -NOT APPLICABLE

FF. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) – NOT APPLICABLE

**STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
JUNE 30, 2010**

Name	Amount
<u>Joseph L. Adams</u>	<u>\$ 2,550</u>
<u>Michele P. Alderman</u>	<u>900</u>
<u>Carl W. Aron</u>	<u>3,750</u>
<u>Brian A. Bond</u>	<u>2,775</u>
<u>J. Douglas Boudreaux</u>	<u>600</u>
<u>Allen W. Cassidy</u>	<u>825</u>
<u>Reuben R. Dixon</u>	<u>1,950</u>
<u>Syndie M. Durand</u>	<u>1,125</u>
<u>Jacqueline L. Hall</u>	<u>525</u>
<u>John O. LeTard</u>	<u>750</u>
<u>Marty R. McKay</u>	<u>1,575</u>
<u>Chris. B. Melancon</u>	<u>975</u>
<u>Ronald E. Moore</u>	<u>525</u>
<u>Blake P. Pitre</u>	<u>1,125</u>
<u>T. Morris Rabb</u>	<u>2,025</u>
<u>Richard A. Soileau</u>	<u>1,725</u>
 Total	 <u>\$ 23,700</u>

Note: The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

**STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY
SCHEDULE OF NOTES PAYABLE
JUNE 30, 2010**

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
		\$	\$	\$	\$		\$
Total		\$	\$	\$	\$		\$

*Send copies of new amortization schedules

STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY
SCHEDULE OF BONDS PAYABLE
JUNE 30, 2010

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
Series:							
		\$	\$	\$	\$		\$
Unamortized Discounts and Premiums Series:							
Total		\$	\$	\$	\$		\$

***Note: Principal outstanding (bond series/minus unamortized costs) at 6/30/10 should agree to bonds payable on the Statement of Net Assets.**
Send copies of new amortization schedules for bonds and unamortized costs.

STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended June 30, 2010

Ending:	Payment	Interest	Principal	Balance
2011	\$ _____	\$ _____	\$ _____	\$ ____ --
2012	_____	_____	_____	____ --
2013	_____	_____	_____	____ --
2014	_____	_____	_____	____ --
2015	_____	_____	_____	____ --
2016-2020	_____	_____	_____	____ --
2021-2025	_____	_____	_____	____ --
2026-2030	_____	_____	_____	____ --
2031-2035	_____	_____	_____	____ --
Total	\$ ____ --	\$ ____ --	\$ ____ --	\$ ____ --

STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY
SCHEDULE OF NOTES PAYABLE AMORTIZATION
For the Year Ended June 30, 2010

<u>Fiscal Year</u> <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ _____	\$ _____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016-2020	_____	_____
2021-2025	_____	_____
2026-2030	_____	_____
2031-2035	_____	_____
Total	\$ _____ --	\$ _____ --

**STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 2010**

<u>Fiscal Year Ending:</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ _____	\$ _____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
2031	_____	_____
2032	_____	_____
2033	_____	_____
2034	_____	_____
2035	_____	_____
Total	\$ <u> -- </u>	\$ <u> -- </u>

***Note: Principal outstanding (bond series plus/minus unamortized costs) at 6/30/10 should agree to bonds payable on the Statement of Net Assets.**

STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY
SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
JUNE 30, 2010

Financial Statement	Adjustments	ISIS Appropriation Report-08/16/10	Revised Budget	Variance Positive/(Negative)
Revenues:				
Intergovernmental Revenues	\$	\$	\$	\$
Federal Funds		-		-
Less of Commodities and Services		-		-
Net		-		-
Total appropriated revenues	-	-	-	-
Expenses:				
Cost of goods sold	\$	\$	\$	\$
Personal services		-		-
Travel		-		-
Operating Services		-		-
Supplies		-		-
Professional services		-		-
Rent charges		-		-
Capital outlay		-		-
Interagency transfers		-		-
Contract service		-		-
Interest:				
Bad debts		-		-
Depreciation		-		-
Compensated absences		-		-
Interest expense		-		-
Other (Identify)		-		-
Total appropriated expenses	-	-	-	-
Surplus (deficiency) of revenues over expenses (budget basis)	\$ -	\$ -	\$ -	\$ -

Notes: Schedule 5 is only applicable for those entities whose budget is appropriated by the legislature.

STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY
SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
June 30, 2010

Excess (deficiency) of revenues over expenses (budget basis)	\$ _____
Reconciling items:	
Cash carryover	_____
Use of money and property (interest income)	_____
Depreciation	_____
Compensated absences adjustment	_____
Capital outlay	_____
Disposal of fixed assets	_____
Change in inventory	_____
Interest expense	_____
Bad debts expense	_____
Prepaid expenses	_____
Principal payment	_____
Loan Principal Repayments included in Revenue	_____
Loan Disbursements included in Expenses	_____
Accounts receivable adjustment	_____
Accounts payable/estimated liabilities adjustment	_____
OPEB payable	_____
Other	_____
Change in Net Assets	\$ _____ -

Note: Schedule 5 is only applicable for entities whose budget is appropriated by the legislature.

STATE OF LOUISIANA
LOUISIANA BOARD OF PHARMACY
COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than **\$3 million**, explain the reason for the change.

	<u>2010</u>	<u>2009</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>2,706,829</u>	\$ <u>2,991,450</u>	\$ <u>(284,621)</u>	\$ <u>(10.51%)</u>
Expenses	<u>2,599,219</u>	<u>2,934,203</u>	<u>(334,984)</u>	<u>(12.89%)</u>
2) Capital assets	<u>1,447,433</u>	<u>1,056,710</u>	<u>390,723</u>	<u>26.99%</u>
Long-term debt	<u></u>	<u></u>	<u>-</u>	<u></u>
Net Assets	<u>2,715,185</u>	<u>2,607,575</u>	<u>107,610</u>	<u>3.96%</u>
Explanation for change:	<u></u>			
	<u></u>			
	<u></u>			
	<u></u>			

AGENCY NUMBER _____
AGENCY NAME Louisiana Board of Pharmacy

SCHEDULE 16